C2710-3

Automotive News

October 15, 1990

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65th year—$65.00 per year, $2.00 per copy

AUTOMOTIVE NEWS-JOE WILSSENS

Quality time

Workers at General Motors' Detroit-Hamtramck assembly plant gathered last week to hear Cadillac General Manager John Grettenberger, at podium, and GM Chairman Robert Stempel announce that the luxury car division had received the Malcolm Baldrige National Quality Award. Story on Page 2.

Automakers spur auction growth with buyback of rentals

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Auto manufacturers are generating more used cars for their dealers than ever before.

Auction sources project that manufacturers will send more than one million vehicles to auctions for redistribution to dealers in 1990. Next year, the number is sure to climb.

And big increases in the number of low-mileage, daily-rental cars are pushing up the value of cars at auction, drawing far more dealers than before.

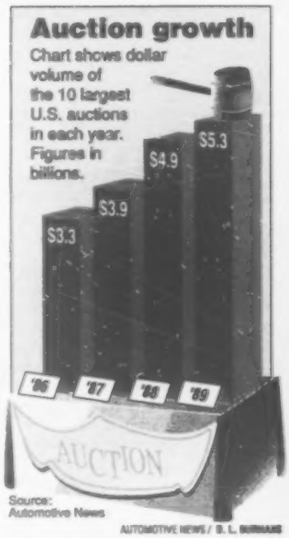
"Manufacturer volume is the name of the game," says Michael Richardson, president of Anglo American Auto Auctions in Nashville, Tenn., one of the big chains dominating the business. "It will be massive."

While 1989 was a record year for auctions, 1990 may not surpass it despite the increase in cars from manufacturers. Lower new-car sales have cut the number of trades being sent to auction by dealers.

General Motors is expected to send about 700,000 vehicles to auto auctions in calendar 1991, up from 500,000 this year, auction industry sources say. Ford Motor Co. will dispatch an estimated 400,000 vehicles to the auctions in 1991, up from 350,000 this year. Chrysler Corp. will send about 200,000, up from 178,000 this year.

Those include daily-rental fleet cars and employee vehicles.

see AUCTIONS, page 50



AUTOMOTIVE NEWS / D. L. BURNAM

Chrysler still No. 3 in U.S. car sales

Chrysler Corp. is still No. 3 in car sales in the United States.

Last week, *Automotive News* incorrectly reported that Toyota Motor Sales U.S.A. Inc. had surpassed Chrysler in car sales for the 1990 model year.

In fact, Chrysler sold 855,548 cars, to Toyota's 765,241 (and Honda's 849,549). When light trucks are included, Chrysler leads Toyota by 697,164 units.

When Toyota reports sales figures, it includes in the car category three vehicles classified as trucks: the 4Runner and Land Cruiser sport-utilities and the Previa minivan. *Automotive News* normally subtracts those from the car total. But those trucks were incorrectly included in the model-year car total reported last week.

1990 MODEL YEAR SALES

	Cars	Trucks	Total
GM	3,263,541	1,633,675	4,897,216
Ford	1,945,241	1,383,168	3,328,409
Chrysler	855,548	884,031	1,739,579
Honda	849,549	—	849,549
Toyota	765,241	277,174	1,042,415

In addition, the sales of Toyota's Lexus Division were included twice in figures published last week.

Correct 1990 model-year figures for the five leading companies are in the accompanying chart. Corrected tables showing model-year car sales and truck sales by marketing unit, and a corrected chart showing total vehicle market share, appear on Page 53.

'91 marketing

Offbeat auto ads are becoming more commonplace. In *Insight*, which follows Page 28, makers reveal what's in store for the new model year.

Japan's upturn in Germany viewed as colossal blunder

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT — A sharp jump in market share in the strong German market during August could cost Japan's carmakers enormously in long-term political capital and good will. The loss could more than offset any temporary competitive gain, according to industry analysts and executives.

Although the increase — a 5-point surge to a record 20.1 percent of German car sales — may well have been caused by special factors, analysts note that it comes against a backdrop of resurgent protectionist sentiment among European automakers.

At the recent Paris auto show, several European executives — including Carl Hahn, chairman of Volkswagen AG — endorsed a fiery call by Peugeot Group Chairman Jacques Calvet for a freeze on Japanese imports until at least 2003.

Calvet, who lambasted the European Commission for attempting to negotiate higher limits on Japanese imports and transplant production after 1992, also demanded free and open access to the Japanese market as a condition for opening Europe to more imports.

"The Calvet speech was an indication that he had the full support of the German carmakers," said Peter Schmidt, German specialist at Automotive Industry Data, a British research group. "He knew that if he was just sticking his neck out, he would not be taken seriously."

see GERMANY, page 54

GM IN THE '90s:

Lineup benefits from spending blitz; Cadillac holds spot for 'Lexus fighter'

This is the fourth in a series on automakers' product plans for the 1990s.

By Michelle Krebs
SPECIAL CORRESPONDENT

General Motors will revamp virtually all its cars and the majority of its trucks at least once by the middle of the decade.

The company is winding up a spree in which it will spend more on product from 1988 through 1992 than in any previous five-year stretch. GM boasts that it has introduced 85 new models in the past five years.

During the 1990s, the company will devote nearly all its capital spending budget to product. Last May, then-Chairman Roger B. Smith said the automaker will revise or replace models repre-

see GM FUTURE, page 18

DENNIS DOLO

Next generation Camaro has composite skin hung on a space frame.

Saturn sightings

...Ne in dealerships
...ips when the first
Story on Page 6.

SATURN

Ford cries foul over Chevy ads; revives 'truck war'

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — John Vanderzee is fuming over claims that Chevrolet makes in its truck ads.

Vanderzee, Ford Division advertising manager, said Chevrolet's truck ads are rife with "half-truths, deceits and misrepresentations." He sent a letter saying just that to Candace M. Robbins, Chevrolet truck advertising manager.

He also told her to knock it off.

Robbins' response: No way.

Vanderzee publicized his feelings about Chevrolet's comparative truck ads last week at a media preview of the 1991 car and truck ad campaign for Ford Division, the No. 1 seller of light trucks.

At that session, Ford introduced comparative truck ads of its own pointing out what it says are the economic advantages of owning a full-sized Ford pickup truck over a comparable Chevrolet truck.

"For two years now, our sales have increased and the gap keeps widening" said Vanderzee. "We're the market leader. . . . We have to take them on when they are inaccurate and misleading. We asked them to withdraw or correct them."

Robbins said Chevrolet's claims are "absolutely true" and will not be modified.

Vanderzee took issue with three claims in Chevrolet ads:

- Chevrolet is America's favorite half-ton pickup truck. "We outsell them by so much it isn't even close," said Vanderzee. Robbins said the claim refers to Chevrolet's full-sized pickup, C-1500, which she said outsells Ford's F-150 two-wheel-drive model. Chevrolet also sells a K-1500 4wd half-ton pickup and Ford has an 4wd F-150.
- More truck owners switched to Chevrolet than any other truck. Vanderzee said while it is true that 1989 registration data indicate that 195,435 truck owners switched to

see TRUCK WAR, page 53

Ford's 1991 truck campaign points out "economic advantages" of owning a Ford over a comparable Chevrolet truck.

Toyota's Tercel target: post baby boomers

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Move over baby boomers. There's a youthful "new generation" out there, and Toyota Motor Sales U.S.A. Inc. believes its members are interested in ecology, new values and Toyota's 1991 Tercel.

That "new generation" is among the buyers Toyota will target with its new 1991 advertising campaign.

David E. Pelliccioni, Toyota national advertising manager, said he is confident that Toyota will keep its momentum and sell a million vehicles during a fiercely competitive 1991 model year. In the 1990 model year, the company sold 985,253 Toyota cars and trucks.

What with the budget problems facing the U.S. government, the threat of war in the Middle East and a new kid on the block — Saturn — "it's going to be a tough market," said Pelliccioni.

Pelliccioni said Toyota aims to sell 130,000 units of the newly designed subcombact 1991 Tercel, which now includes a four-door sedan.

The "new generation" of buyers, he said, are in their early to mid-20s, college educated, drug-free and are concerned about things such as recycling, pollution and getting value for their money.

Toyota has created television commercials just for them.

Toyota Tercel TV spots target a "new generation" of youthful buyers who are college educated, drug-free and concerned about recycling, pollution and getting value for their money.

One spot features a fresh-faced young woman who is sorting her trash for recycling. The woman notes that waste is out and "ecology . . . definitely in." She goes on to say they are going to save the world but for the time being, she'll "settle for saving a little money" by owning a Tercel.

Pelliccioni said: "There is a new generation out there. They worry about the environment. They achieve more quickly (than buyers of other entry-level cars). We want to talk to them in their language. We're talking new values."

Toyota, which has placed air bags in the Celica, MR2 and Supra, is "weaving" safety messages in other 1991 ads. One TV spot shows the deployment of an air bag while another depicts a woman driver who maneu-

see TOYOTA ADS, page 53

World Congress to hear from chief of GM-Saab venture

DETROIT — The man responsible for making the joint venture between General Motors and Saab-Scania AB work will address the 1991 Automotive News World Congress.

Herman

David J. Herman, 44, has been president and chief executive officer of Saab Automobile AB since January. He will discuss the GM-Saab venture, as well as the state of manufacturing in Sweden on Monday morning, Jan. 14.

The Automotive News World Congress will be held Jan. 13-16 at the Westin Hotel in Detroit.

Herman, who holds a bachelor's de-

see SPEAKER, page 53

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65th year—No. 5362

Advertising Production Department (313) 446-6063
Circulation Department
In Michigan (313) 446-0480
Outside Michigan 1-800-992-9970
Classified Ad Department (313) 446-6065
Display Ad Department (313) 446-6030
Editorial & Business Offices (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

LOYALTY BID: *Globally minded Japanese automakers struggle to increase authority of U.S. transplant work force*

By Mary Ann Mackary
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Setting up production in the United States was the easy part. Now the Japanese automakers are trying to take their globalization plans one step further and win the hearts and minds of the American workers.

The challenge for the Japanese industry in this decade, according to one manufacturing executive, is to adapt to an increasingly foreign work force. The phenomenal growth of the automakers in the last 10 years rested on the devoted service of their Japanese workers. That collective loyalty was a powerful force, the executive says, and the companies now must adapt to different conditions as they expand overseas.

Japanese auto plants in the United States are now up to 10 years old, but Americans still complain that they do not have much say in decisions. Company executives acknowledge that, ultimately, building a loyal work force means handing over decision-making authority to American managers so they feel they are more than just cogs in a foreign machine. How and when the Japanese firms open up is the issue.

Nissan Motor Co. Ltd. relies more on American workers than any other Japanese auto company. It has long had Americans running production in the United States and now has an American in charge of sales.

Honda Motor Co. Ltd. says it will take more time to train American managers in the Honda Way before giving them top positions, but Honda says it is doing more than Nissan to transfer technology. Toyota Motor Corp. also says it is training a staff to take over, but it is working out a consensus on the best way to approach the matter.

Until just six years ago, Toyota had nothing but complete knocked-down assembly overseas, and all decision-making was made in Toyota City, says Kan Higashi, president of New United Motor Manufacturing Inc. Now, with two plants in the United States and one under way in Britain, conditions have changed completely: Toyota can no longer rely on total decision making in Japan.

"Toyota management here recognizes that that is dangerous," Higashi says. The com-

see LOYALTY, page 34

NUMMI President Kan Higashi says the company "must promote local people."

Bivouac victim of RV market dive

Ford's No. 1 converter shutters facility after credit denials

By Joseph Bohn
TRUCK EDITOR

Bivouac Industries, Ford Motor Co.'s No. 1 van converter last year and a major commercial vehicle producer, closed its operations Oct. 5, while seeking further credit extensions from banks.

The market downturn has taken its toll on many RV firms.

Some — such as Kustom Koncepts Inc. of Louisville, Ky.; Aviator Van Conversions of Elkhart, Ind.; and Zimmer Corp. of Boca Raton, Fla. — have dropped out entirely.

Others, like Rockwood Inc. of Goshen, Ind., and Lamax Corp. of Elkhart, have been sold. Van American Inc./Cobra of Goshen purchased Rockwood. Jeffrey Chupp, owner of Chupp & Sons Inc. in Elkhart, purchased LaMax.

Chevrolet now has about 160 consignment pool accounts, down from about 180 earlier this year, according to sources in Elkhart.

Ford, with about 60 accounts, has to replace some companies that dropped out even while it is trying to expand the overall number of companies in its pool system, Elkhart sources said. Ford plans to have almost all of its vans go through authorized pool accounts by next fall.

Scott Chapman, Bivouac founder and president, said the company has been trying to put a restructuring plan together.

Bivouac's primary lender, Den norske Bank of New York, and Ameritrust National Bank of Elkhart, Ind., have been battling each other over whether to pump more money into the firm.

Ironically, major lender Den norske, has been willing to help support Bivouac; while the smaller Ameritrust has balked at putting up any more cash, Chapman said.

The banks themselves declined comment.

Chapman said, "We want to take care of our customers. That's my No. 1 concern."

Still, the firm's revival will be difficult because of spreading publicity about its plight.

Bivouac's problems began publicly at 2:55 p.m. Oct. 5, when management summoned employees to a building behind the firm's production facility in Vandalia, Mich., to tell them it was closing.

"We stood around for about 20 minutes making jokes about the place closing down and not getting paid," said Verlin Williams, a production line group leader and 10-year veteran of the firm.

"Then Scott came in, and somebody asked, 'Do we sign up for unemployment and forget about coming back?' And he said 'Yes.' They told us they couldn't even make payroll," Williams added.

The following Tuesday, with incoming accounts, the company did pay employees for their last two weeks of work.

Bivouac's troubles began last year when it had to heavily discount leftover 1989 model conversions.

Chapman tried new marketing concepts to pump business up.

He created specific, guaranteed franchise areas for dealers, provided advertising and marketing support and even helped underwrite dealers' floorplanning for Bivouac products.

Bivouac's financial problems only worsened, though, with the weakening market.

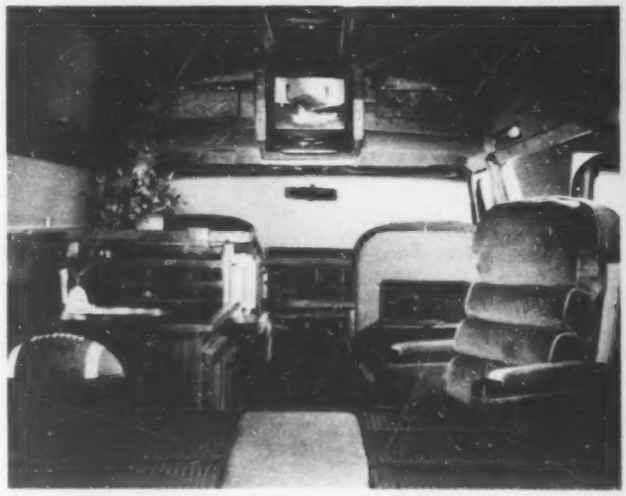
Chapman's efforts to save the firm earned the respect of some major dealers such as Fred Ricart, president of Ricart Ford and Ricart Vanland in Columbus, Ohio.

"All the marketing efforts made by Scott Chapman were necessary and carried out to the highest letter of trying to do good business," Ricart said.

"Scott did a phenomenal job. He literally went door to door to the dealers to keep the product alive. He created marketing and merchandising ideas far beyond what you'd expect from any van company. If there were any financial problems associated with that, his additional efforts were commendable."

Ricart sold about 1,700 to 1,800 van conversions during the 1990 model year, and handles products from 19 different van converters. His van conversion sales are down from 2,500 units a year earlier.

At its peak, Bivouac converted almost 5,000 vans a year, but that has dwindled to an annualized rate of about 2,000 a year, according to Williams.



For now, Bivouac Industries won't be converting Ford Motor Co. vans like the one above. The van converter has closed its doors.

The company also operated Bivouac Commercial Vehicles in Elkhart, which produced parcel delivery vans. It had been seeking to expand its commercial vehicle operations with new products and closer ties to importers like Mitsubishi Fuso Truck of America Inc. and Isuzu Truck of America Inc., according to Mike Spencer, a former director of sales and marketing for Bivouac Commercial.

To cut overhead, Bivouac moved commercial operations from Elkhart and consolidated them with van conversions in Vandalia earlier this year.

Some competitors, like Richard A. Newberry, Starcraft Corp.'s chief financial officer, see the shakeout of converters like Bivouac providing "greater opportunities for us (survivors)."

Starcraft has its own financial problems, but has been getting support from General Motors, its bank, trade creditors and dealers while it works out a new deal to cut interest debt payments with its bondholders. Newberry said.

Still, other competitors feel that the publicity generated by such financial problems will drive already gun-shy dealers to be even more conservative in ordering new van conversion units.

European operations help GM, Ford show profit

By Liz Pinto
AUTOMOTIVE NEWS STAFF REPORTER

Overseas operations kept General Motors and Ford Motor Co. in the black for the third quarter while Chrysler Corp., which relies almost completely on North America, will report a sizable loss, automotive analysts predict.

Ford and GM experienced problems overseas with strikes and model changeovers, but their European operations still earned profits, analysts say. Meanwhile, excessive incentives continue to depress profits in the wildly competitive North American market.

Analysts expect that Ford and GM will report third-quarter profits about half of last year's, while Chrysler will report a loss of $250 million to $280 million.

The automakers will report their third-quarter results in late October.

Overseas operations for Ford and GM are not as strong as last year, according to analyst Wendy Beale Needham of Smith Barney, Harris Upham & Co. of New York. But the two companies are still making money overseas — "something they did not do in the U.S. in the third quarter."

Needham says third-quarter incentives for domestic automakers were about the same as in the second quarter: GM and Chrysler offered about $1,200 per vehicle, and Ford about $1,050. Those incentives were up almost 40 percent from a year ago, Needham says.

In May, Ford Chairman Harold Poling said the company is spending $4 billion annually on sales incentives.

Analysts predict that:

- GM's third-quarter net profit dropped 40 to 55 percent compared to 1989's third-quarter net income of $517 million.
- Ford's earnings tumbled 50 to 60 percent from last year's $477 million.
- Chrysler, which had net income of $331 million in the year-ago period helped by the sale of 44.5 percent of its stock in Mitsubishi Motors Corp., will report a loss of $250 million to $280 million.

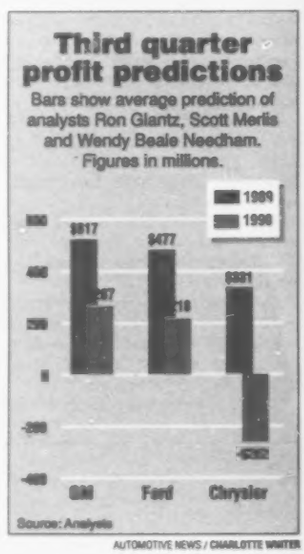
Chrysler has been saying it will show a third-quarter loss this year because it lost production of 60,000 minivans due to model changeovers at two assembly plants.

Analysts don't expect the Persian Gulf situation and rising gasoline prices to have a marked impact on fourth-quarter sales.

"Overall consumer demand is holding up reasonably well," said analyst Ron Glantz of Dean Witter Reynolds of San Francisco, "which is amazing considering the media is forecasting the end of the world."

Analysts are predicting increased profits for the Big 3 in the fourth quarter, estimating that GM will earn as much as $1 billion, Ford around $700 million and Chrysler more than $80 million, all up considerably from the fourth quarter of 1989.

Needham anticipates that for 1990, each of the Big 3 will show profits below the depressed 1989 figures, with GM earning approximately $2.9 billion; Ford, $1.68 billion; and Chrysler, $99 million.



AUTOMOTIVE NEWS / CHARLOTTE WHITE

Ford demands changes at Jaguar as wage talks open

By Daniel Ward
STAFF CORRESPONDENT

LONDON — Ford Motor Co.'s Jaguar unit, due to open contract talks with its 11,000 production workers tomorrow, has demanded radical changes in work practices and shop-floor attitudes as a prerequisite to any salary increase.

Officials at Ford, which acquired the luxury car maker last year, have frequently voiced dismay at what they call antiquated production methods and work habits at Jaguar. By focusing on the costly, deep-rooted practices, the contract talks are being viewed as a bellwether of Ford's ability to overlay its management style on Jaguar workers and proceed with a major capital investment program.

In a recent letter to hourly workers, Jaguar warned:

"Without acceptance of the major changes needed to improve productivity, employees cannot expect to do any better than last time. However, if agreement can be reached on the package of working practice changes, further progress can be made."

Jaguar workers, traditionally the British auto industry's best paid, received increases of 4.2 percent and 4 percent in the last two years, raising them to an average of about £230 ($453) weekly, compared with an average of £218 ($429) for Ford of England workers.

But union leaders are insisting that Jaguar match Ford of England's most recent contract, which keeps workers 2.5 percentage points above Britain's rate of inflation, now running at about 10.5 percent a year.

Among the biggest changes Ford is demanding from Jaguar workers is an end to so-called "quota-working," whereby an individual stops working once he fulfills an assigned output quota. Instead, Ford will demand full-shift output from every worker.

Also targeted are traditional restrictions on overtime and a policy of time-in-grade advancement.

Ford also is seeking a commitment to reduce work stoppages, which resulted in 22,000 hours of lost work during the first six months of 1990. During that period, there were no official disputes.

Management also wants workers to agree to frequent and regular measurement of work and to commit themselves to "never-ending process improvement."

It also wants employees to take individual responsibility for rectifying quality problems.

Jaguar has reminded its unions that the company's financial position is worse than it was two years ago, when the last contract was negotiated and that production must become more efficient to pay for its proposed new model line.

Jaguar lost money in 1989, will post another loss this year and is not expected to break even until 1991. Its financial position has been made worse this year by the strengthening of the pound against the dollar, which makes its cars more expensive in the key U.S. market.

Serving the customer

Ford center handles nationwide queries; goal is speedy assistance on first call

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. is handling customer phone calls from every state at one location — its new Customer Assistance Center here.

The consolidation was finalized when the last three of Ford Parts and Service Division's 28 district customer service operations were brought on line at the new center.

The center has a national toll-free phone number: 1-800-392-3673. All customer calls and letters that previously went to district offices now come to the center and are handled by a team of Ford representatives, according to Lee Miskowski, general manager of the division.

"Our goal is 95 percent accessibility on the first call for customers who call the center," said Al White, owner relations and operations manager of Ford Parts and Service.

"Gone forever are the days when customers would call, get a ring, keep waiting and never get an answer," White said. "The move to centralization with one toll-free phone number for customers across the country was done for only one reason — to improve customer satisfaction."

The phase-in began last March, and early results are encouraging, White said.

On a typical day, he said, the center receives approximately 5,500 phone calls and 1,000 letters, many coming from owners of the more than 32 million Ford and Lincoln-Mercury products on the road.

About 60 percent of the contacts are from customers seeking information about Ford or a Ford vehicle they own or from persons thinking of purchasing a Ford product.

The remaining 40 percent include concerns about vehicles, parts availability and dealer service, White said.

He said the center has a data base that includes a five-year owner contact history and more than 5,500 documents of basic vehicle information.

The center employs 200, including 110 customer service representatives who handle incoming phone calls and a 35-member correspondence team who answer every customer letter, White said. The center is expected to handle more than one million calls a year.

White said service representatives are college graduates and undergo four weeks of training before taking their first phone call. Training includes a history of Ford, basic automotive systems, warranty policy, computer training, interpersonal skills and stress management, he said.

Lee Miskowski, general manager of Ford Parts and Service Division, handles a customer's phone call during the opening of the Ford Customer Assistance Center.

Nerlinger to retire; Roland appointed ASIA president

CHICAGO — David R. Roland will become the third president of the Automotive Service Industry Association Jan. 1.

He will succeed John W. Nerlinger, who will retire after 27 years of ASIA service, 17 of them as president.

Roland

Nerlinger

Roland, who joined the ASIA staff last January as executive vice president, became chief operating officer in April and has been directing the association's day-to-day operations since that time. Before joining ASIA, Roland was vice president of the American Association of Equipment Lessors for four years.

Nissan hopes program helps dealers improve customer satisfaction ratings

CARSON, Calif. — Nissan Motor Corp. in U.S.A. has established a new dealer program to help improve customer satisfaction ratings.

According to Nissan's Information Systems Division, the program, called Nissan Dealer Systems Steering Committee, will enable dealers to increase the effectiveness of Nissan's customer satisfaction and service programs through the use of the Nissan Datanet Dealer Communications Systems.

Tony Lucente, manager of dealers services, said a panel of six dealership managers responsible for the operation and implementation of Datanet in their dealerships will advise the company on the network. The committee will meet twice a year.

The dealership managers are from: ABC Nissan in Phoenix; George Grubbs Nissan in Bedford, Texas; Miller Nissan in Van Nuys, Calif.; Daland Nissan in Millbrae, Calif.; Lumberton Nissan in Lumberton, N.C.; and Martens Nissan in Marlow Heights, Md.

The Datanet system, established in 1982, is a communications link between Nissan and its dealers. The system was expanded in 1988 to allow dealers direct access to Nissan's main computer.

"By using the dealer's input, we will be able to utilize the most pertinent information available with Datanet," Lucente said. "Our goal is to become number one in customer satisfaction. The committee gives us the input necessary to design systems that give Nissan a competitive edge."

A vehicle's service history, parts invoices and new product information are among the services available with Datanet. The system also permits dealers to search for parts at other dealerships to speed repairs.

Steering committee member Tom Rose, executive manager of Lumberton Nissan and who has been in the auto business for more than 25 years, said Datanet has been a "giant leap" in upgrading communications between the dealership and Nissan and should be an even better tool with the steering committee's input.

"Every manufacturer has a terrific computer system developed by a guy with a master's degree who has never been in a dealership," Rose said.

Rose predicted simplification of the system, especially in locating parts and new vehicles, will enhance dealers' chances of improving their customer satisfaction ratings.

Another member of the committee, Greg Doeden, parts manager for ABC Nissan, said, "We are very excited to have a chance to offer our input on the Datanet system. It will definitely improve our ability to serve the customer in parts, service and sales departments."

Honda offers awards for shop staff

GARDENA, Calif. — A national recognition program for service advisers and technicians at its dealerships in the United States has been announced by Honda Automobile Division of American Honda Motor Co. Inc.

According to Linda Pemberton of Honda's service training department, the Honda Service Professionals Program is designed to improve customer service at dealerships. The program provides career motivation to the advisers and technicians through awards based on the individual's length of time at the dealership, participation in training programs, skill level and performance.

According to Honda, dealerships can enroll in the program at any time during the year for $315.

Three levels of recognition — bronze, silver and gold — have been established for advisers and technicians. The bronze and silver awards are one-time citations — once participants reach that level, they keep it, while the gold level achievement must be earned each year.

Personnel attaining the bronze level will receive gifts, including an achievement certificate, lapel pin or uniform patch and a coffee mug or baseball cap. In addition to the bronze gifts, silver achievers will receive a jacket, along with a certificate recognizing their achievements.

In addition to receiving a certificate and commemorative ring, gold achievers are eligible for the Top Tech and Top Adviser Contests held in Honda's zones. The contest gives the top 20 technicians and advisers in each zone an opportunity to demonstrate their skills and earn an expense-paid trip to a National Awards Banquet.

Shop volume rises for 2nd month in a row

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

New-car dealers' service and parts business increased for the second consecutive month in August.

According to the Automotive News Service Index, shop volume in August amounted to 105.6 percent of the business reported in August 1989. July's volume was 109.3 percent of the business recorded in the year-earlier month.

Service and parts business for dealers in January-August 1990 was 7.3 percent above the similar period in 1989.

Of the indicators used in the index, total labor sales (customer paid and warranty) recorded the biggest gain in August, topping the year-ago volume by 14.6 percent, Next in line was shop parts sales for customer and warranty repairs, up 9.8 percent.

Gross profit on all labor parts and accessories sales — the most important indicator from the dealers' viewpoint — was 7.7 percent above last year's figure, while sales of all parts and accessories were 2.4 percent above the volume in the same month the year before.

The only indicator that did not register an increase in August was repair orders written. The average number of orders written in new-car dealerships was off 4.5 percent from the year-earlier total, the survey found.

For the first eight months of 1990, the indicators lined up this way: Total labor sales, up 8.4 percent; shop parts sales, up 7.4 percent; sales of all parts and accessories, up 6.5 percent; gross profits, up 6.2 percent; and repair orders written, up 0.2 percent.

Figures used in the Service Index are averages complied from reports on shop operations from a cross-section of the nation's new-car dealerships.

SERVICE INDEX
105.6★

	Aug. '90 vs. Aug. '89	Jan.-Aug. '90 vs. Jan.-Aug. '89
Gross Profit on All Labor and P&A Sales	+ 7.7%	+ 6.2%
Repair Orders Written	– 4.5%	+ 0.2%
Total Labor Sales (Customer & Warranty)	+14.6%	+ 8.4%
Shop Parts Sales (Customer & Warranty)	+ 9.8%	+ 7.4%
Sales of All P&A	+ 2.4%	+ 6.5%

★ Survey by Automotive News shows that dealers' service and parts business in August 1990 was 105.6 percent of business in August 1989. Service business in the first 8 months of 1990 was 107.3 percent of business in the corresponding period in 1989.

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CANADIAN CAR AND TRUCK SALES

North American Car Sales

	Sept. 1990	Sept. 1989	9 mos., 1990	9 mos., 1989
GM	19,092	23,914	232,024	263,183
Ford	10,179	15,419	119,063	146,709
Chrysler	6,575	10,003	80,697	95,299
Honda	3,958	2,045	28,328	20,169
Toyota	1,944	1,899	9,531	9,467
Hyundai	807	811	5,204	6,787
Volvo	406	291	2,650	2,963
North American car total	**42,961**	**54,382**	**477,497**	**544,577**

Imported Car Sales

Toyota	5,244	5,391	51,422	52,027
Honda	4,925	4,646	51,447	45,097
Volkswagen	2,604	2,449	26,705	23,722
Mazda*	1,972	1,781	24,433	20,948
Nissan	1,327	2,535	18,653	21,895
Hyundai	1,201	2,142	12,385	15,202
Chrysler	1,152	1,541	11,871	17,135
GM	673	369	4,776	4,343
Subaru	617	501	5,709	4,699
Ford	558	409	5,014	6,700
BMW	390	387	3,020	3,340
Suzuki	387	201	6,042	5,752
Mercedes-Benz	342	312	3,192	3,195
Volvo	224	298	1,888	2,425
Saab	160	104	799	966
Jaguar	82	102	847	1,231
Lada	63	38	508	519
Peugeot	7	11	86	196
Imported Car Total	**21,928**	**23,217**	**228,797**	**229,392**
TOTAL — ALL CARS	**64,889**	**77,599**	**706,294**	**773,969**

North American Truck Sales

GM	9,036	13,461	115,542	127,288
Ford	8,924	9,806	96,605	108,218
Chrysler	4,830	7,924	68,100	79,922
North American Truck Total	**22,790**	**31,191**	**280,247**	**315,428**

Imported Truck Sales (including vans)

Mazda	1,668	1,827	14,939	13,673
Toyota	1,416	1,511	13,485	12,577
Nissan	888	773	11,127	10,215
Suzuki	337	367	5,670	5,838
GM	311	471	1,841	1,716
Chrysler	106	148	1,261	1,895
Lada	41	8	165	187
Volkswagen	34	137	767	672
Land Rover	6	0	27	0
Imported Truck Total	**4,807**	**5,242**	**49,282**	**46,773**
TOTAL — ALL TRUCKS	**27,597**	**36,433**	**329,529**	**362,201**
TOTAL — CARS, TRUCKS	**92,486**	**114,032**	**1,035,823**	**1,136,170**

*Mazda declined to furnish a breakout of North American built and imported car sales.

Fleet buyers hold off in Canada

Vehicle sales in Canada declined by 18.9 percent compared to September 1989, despite incentives, as fleet buyers delayed purchases in anticipation of a Jan. 1 change in tax laws.

Michael Erdman, marketing vice president of GM of Canada, said: "Fleet sales represent a significant segment of our business in Canada, and things here are extremely slow while those customers await the outcome" of the tax legislation.

Cars dipped 16.4 percent and trucks were off 24.3 percent.

North American car sales fell 21.0 percent from the previous year. Three manufacturers reported gains: Honda, 93.5 percent; Volvo, 39.5 percent; and Toyota, 2.4 percent.

Honda's combined car sales remained above Chrysler's for the third month in a row.

In North American truck sales, Ford reported a 9.0 percent decrease while GM lost 32.9 percent and Chrysler 39.0 percent.

Importers to Canada reported decreases of 5.6 percent in car sales and 8.3 percent in truck sales for September.

So far this year, total sales in Canada are 100,347 units, or 8.8 percent behind 1989's total.

— Karen Detkowski and Bill Vance

Ford dealer aides get break

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division has announced a program in which dealership employees can purchase a vehicle at the same price as a Ford vendor employee.

The program, which runs through Sept. 30, 1991, involves 1990 and 1991 Ford Division vehicles. Vehicles that have been used for driver education, dealer demonstrators and service loaners and those purchased under the college graduate or Red Carpet lease plans are not eligible for the discount.

Dealership employees can purchase Ford Division vehicles from their dealerships at or below the dealer invoice prices less holdback and finance charges plus a dealer commission payment from the employee of 4 percent. The "at or below invoice" is up to the dealer.

In addition, Ford will pay the dealership a 4 percent commission on the dealer invoice price less holdback, finance charges and advertising charges.

Dealers are permitted to waive some of all of the employee payment to equal any existing employee purchase program. Dealers interviewed by *Automotive News* last week said that in the past, their employees paid $100 over dealer cost (including holdback, advertising and finance charges).

To be eligible for the program, a person must be employed at the dealership for a minimum of six months. The employee can purchase only two vehicles under the program. They must be registered in the employee's name and the title for the vehicle must be held by the employee for six months from the date of sale.

DEALING WITH DEALERS

BEGINNINGS

Mark Ford-Mercury has opened in New Milford, Conn.

Camelback BMW-Porsche-Audi, Phoenix, has moved its BMW line to a separate location in Phoenix. The BMW store is called **Classic BMW**.

TRANSITIONS

Bert Pitre, Pitre Automotive Group, Scottsdale, Ariz., has acquired **Ed Moses Chrysler-Plymouth Inc.**, Scottsdale.

CITIZENSHIP

Executive Honda, Wallingford, Conn., hosted a promotion benefiting an adolescent substance abuse program. A local radio personality, entombed in a block of ice, was thawed out as visitors made donations to the abuse program.

Houser Isuzu, Springfield, Mass., hosted a live radio broadcast to benefit the Ronald McDonald House in Springfield. Listeners were invited to meet WAQY-FM personalities and make a donation. The Ronald McDonald House is a haven for out of town families visiting hospitalized children.

Dick Huvaere, Huvaere Group, Richmond, Mich., has announced that his dealerships will be collecting toys for distribution to underprivileged children.

The **Central Florida Auto Dealers Association** has donated a 1990 Chevrolet Lumina minivan to the Medical Eye Bank of Florida.

Compiled by Marv Salter

25 years for Sharp

James H. Sharp, Sharp Chevrolet-Pontiac-Cadillac Inc., Watertown, S.D., left, receives a 25-year-dealer plaque from J. Keith Meisel, Chevrolet's Minneapolis branch account manager.

New Mexico leaders

The 1990-1991 New Mexico Automotive Dealers Association officers are, standing: Ray Berube, president; Charley Smith, Watson Truck and Supply, Hobbs, secretary; Stuart Rappaport, Perfection Honda, Albuquerque, treasurer; seated: Bob Turner, Bob Turner's Ford Country, Albuquerque, vice chairman; Louis Sisbarro, Sisbarro Buick-Pontiac-GMC, Las Cruces, chairman.

Golden Doster

Stokely Doster, left, Doster Motor Co. of Chattanooga, Tenn., receives a 50-year-dealer plaque from Harold Feder, Lincoln-Mercury's Atlanta district sales manager.

300SE ruled $48,115 lemon

Mercedes-Benz of North America Inc. has been ordered to pay $48,115 to Florida resident Anthony D. Romeo for a 1989 Mercedes 300SE declared a "lemon" by the state-run arbitration board.

The problem was a "rubbing, creaking sound" in the rear when turning the steering wheel and applying brakes in either forward or reverse gears. The selling dealer, Regency Autohaus Inc. in Naples, had tried unsuccessfully to fix the problem six times.

Mercedes-Benz rejected an offer to take one final shot at repairing the noise, citing its expert's statement that brake-pad rubbing against the disk brakes was a "normal characteristic" of all 1989 300SEs.

Arbitration panel members who drove and parked Romeo's car said the noise problem substantially impaired its value.

— Helen Kahn

Europeans import more, Asians fewer

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Import sales in September fell 15 percent overall from a year earlier, but sales of European autos rose 3.5 percent.

September also saw the first monthly sales of such new nameplates as the BMW 850i, the Hyundai Scoupe and the Infiniti G20, plus mushrooming sales for other recently introduced models.

Volkswagen AG led the European pack, with September sales of 11,363, up 16.7 percent for the month. Volkswagen's year-to-date sales were up 2.5 percent, to 103,062 units.

AB Volvo also climbed into the plus column for the month on sales of 8,119, up 1.0 percent over the year-ago month. Monthly sales of the 760 model gained 32.2 percent compared to September 1989.

However, Volvo's year-to-date sales of 73,606 were still 8.9 percent below last year.

BMW also had a strong September, as each of its basic body styles — 3, 5 and 7 series — posted monthly gains. At 5,148 units, BMW was up 17 percent for the month, although nine-month sales were down 6.6 percent. BMW said it sold one 850i in September. The car retails for $73,600.

Japanese imports fell 18.8 percent for the month, to 126,558 units. For the year to date, their import sales are off 10 percent, but domestic sales increases give the Japanese an overall gain.

Honda badge imports were down 21.1 percent, to 13,295, and Acura, which sold 11,168 for the month, off 7 percent. Acura sales included 220 of its new NSX model.

Lexus, with a year of sales figures under its belt for the first time, reported September sales of 5,268, up 15.7 percent from its launch month a year earlier. Sales of the less-expensive ES250, which hasn't caught on as fast as the top-of-the-line LS400, were up 50.9 percent for the month.

Infiniti sold 2,046 cars for the month, including 282 of its new entry-level G20.

Toyota imports were down 28.8 percent in September, to 24,743, while nine-month sales were down 19.7 percent, to 278,753.

All Toyota model lines declined except the Celica and the MR2, which recently saw the introduction of an all-new version earlier this year.

Nissan September import sales were down 20.6 percent, to 27,879.

MARKET SHARES
Domestic, Import cars

	Sept. 1990 Sales	Pct. of Total
Subcompact	167,905	21.85
Compact	218,273	28.40
Intermediate	260,777	33.93
Standard	109,373	14.23
Specialty	12,148	1.58
TOTAL	**768,476**	**100.00**

IMPORTED SALES BY MODEL

	Sept. 1990	Sept. 1989	9 Mos., 1990	9 Mos., 1989
ACURA	**11,168**	**12,011**	**108,951**	**110,707**
Integra	7,144	5,298	66,521	61,037
Legend	3,804	6,713	42,165	49,670
NSX	220	0	265	0
ALFA ROMEO	**385**	**305**	**2,617**	**2,426**
Milano	3	142	42	951
Spider	122	163	1,603	1,542
164	260	0	972	0
ASTON MARTIN*	**5**	**5**	**45**	**45**
AUDI	**2,507**	**2,182**	**17,004**	**15,869**
4000	0	4	1	95
5000	1	15	12	304
80	496	348	3,717	3,464
90	335	281	2,706	3,624
V8 Quattro	208	115	1,417	492
Coupe Quattro	78	68	704	212
100/200	1,225	1,136	7,135	6,139
100/200 Quattro	164	215	1,312	1,539
BMW	**5,148**	**4,401**	**46,585**	**49,887**
3 series	2,467	2,094	22,373	24,648
5 series	1,303	1,077	15,974	14,809
635 CSi	5	106	228	1,224
7 series	1,268	1,059	7,117	7,829
850i	1	0	2	0
M3	57	49	594	781
M5	47	9	290	255
M6	0	7	7	341
CHEVROLET/Geo	**8,922**	**9,625**	**106,384**	**91,553**
Geo Storm/Spectrum	3,237	4,032	65,333	49,255
Geo Metro/Sprint	5,685	4,593	37,540	42,298
CHRYSLER MOTORS	**5,682**	**8,874**	**48,686**	**81,244**
Colt	4,144	5,295	29,824	45,208
Conquest	0	289	896	4,522
Medallion	0	85	475	3,736
Summit	1,005	1,832	10,859	16,016
Vista	319	794	3,840	10,423
TC	214	246	2,792	1,339
DAIHATSU	**914**	**1,501**	**8,721**	**10,869**
FERRARI*	**80**	**80**	**720**	**720**
FORD Festiva	**4,155**	**6,225**	**43,532**	**55,982**
HONDA	**13,295**	**16,843**	**181,485**	**185,427**
Civic/CRX	9,512	5,996	54,382	47,764
Accord	2,894	8,065	95,927	100,733
Prelude	889	2,782	31,176	36,930
HYUNDAI	**10,305**	**13,602**	**103,726**	**146,042**
Excel	7,823	11,166	79,450	124,526
Sonata	1,832	2,436	23,626	21,516
Scoupe	650	0	650	0
ISUZU	**653**	**845**	**3,286**	**14,563**
I-Mark	75	671	1,165	102,666
Impulse	252	174	1,744	4,297
Stylus	326	0	377	0
INFINITI	**2,046**	**0**	**15,349**	**0**
M30	1,142	0	6,094	0
Q45	622	0	8,973	0
G20	282	0	282	0
JAGUAR	**1,722**	**1,482**	**14,091**	**13,882**
XJ6	1,368	1,168	10,509	10,633
XJ-S	354	314	3,582	3,249
LAMBORGHINI*	**13**	**13**	**117**	**117**
LEXUS	**5,268**	**4,554**	**45,414**	**4,554**
ES250	1,682	1,115	15,309	1,115
LS400	3,586	3,439	30,105	3,439
LOTUS*	**27**	**27**	**243**	**243**
MASERATI*	**20**	**20**	**180**	**197**
MAZDA	**10,897**	**15,306**	**120,949**	**143,646**
323	1,847	4,380	17,493	53,384
Protege	3,288	1,762	35,702	2,270
626	881	3,912	17,938	43,315
MX-6	26	20	166	2,139
Miata	2,393	2,635	28,606	13,525
929	1,621	1,361	12,985	15,437
RX-7	841	1,236	8,059	13,576
MERCEDES BENZ	**6,737**	**6,886**	**55,728**	**56,330**
190	1,457	1,366	10,293	10,907
300E 2.6/260E	154	510	1,831	3,855
300	2,216	2,185	18,094	16,606
300SE	395	559	4,722	5,071
350SDL Turbo	161	0	796	2
350SD	64	0	84	0
300SEL	284	283	2,765	2,987
420SEL	426	787	4,780	5,277
560SEL	320	459	3,354	3,711
SL Coupe	937	521	6,539	6,180
560SEC	108	165	1,279	1,147
Tourist	215	51	1,191	587
MERCURY	**5,752**	**4,849**	**28,720**	**56,375**
Tracer	4,598	4,535	21,956	50,369
Capri	1,154	0	4,142	0
XR4Ti	0	221	198	3,695
Scorpio	0	93	2,424	2,625
MITSUBISHI	**5,706**	**5,694**	**81,186**	**56,014**
Starion	0	24	18	637
Cordia	0	7	0	365
Tredia	0	0	0	12
Mirage	3,074	2,869	41,241	16,716
Galant	2,005	2,637	33,590	25,117
Sigma	28	0	1,477	0
Precis	517	1,313	3,815	13,926
3000GT	10	0	25	0
Wagon	72	1,313	1,020	1,538
NISSAN	**27,879**	**35,106**	**250,993**	**316,963**
Sentra	2,108	11,014	44,580	97,255
Pulsar	88	1,264	3,798	20,285
Stanza	9,993	3,500	64,544	34,322
Maxima	7,858	865	75,552	6,123
240SX/200SX	5,570	5,731	43,053	55,621
300ZX	2,027	2,425	16,877	20,601
Hawaii	235	372	2,589	2,894
PEUGEOT	**267**	**520**	**3,339**	**4,762**
PONTIAC LeMans	**3,647**	**4,079**	**34,002**	**41,254**
PORSCHE	**559**	**656**	**7,100**	**7,332**
924S/944	2	146	230	1,186
944S	210	58	1,869	351
944 Turbo	2	86	463	613
911 Carrera 4	226	142	2,656	1,865
911 Turbo	0	59	8	974
911 Carrera 2	82	106	1,403	1,723
928S	37	59	471	620
ROLLS/BENTLEY*	**100**	**100**	**900**	**900**
SAAB	**1,401**	**2,627**	**20,668**	**26,270**
900	231	549	3,709	5,301
900S	272	811	4,945	6,756
900 Turbo	307	711	5,389	6,999
9000S	88	182	1,695	2,157
9000 CD	291	170	2,475	2,438
9000 Turbo	201	183	2,319	2,378
Tourist	11	21	132	241
STERLING	**282**	**418**	**3,138**	**4,544**
SUBARU	**8,550**	**10,064**	**75,362**	**111,174**
Hatchback	8	110	174	2,369
3-Door	19	277	246	7,267
4-Door Sedan	16	707	392	26,737
Legacy	5,225	4,883	43,398	19,240
Loyale	1,897	1,141	18,449	8,678
XT/XT6	103	970	1,040	10,480
Station Wagon	21	309	263	19,545
Justy	1,261	1,667	11,334	16,858
SUZUKI	**835**	**618**	**5,193**	**4,618**
TOYOTA	**24,743**	**34,731**	**278,753**	**347,300**
Corolla	6,062	8,461	67,898	90,899
Tercel	4,452	8,654	69,813	73,903
Celica	5,623	4,465	62,364	42,401
Supra	416	658	5,257	12,201
Camry	5,668	8,446	53,099	103,495
Cressida	1,433	3,588	9,301	19,990
MR2	1,089	459	11,021	4,411
VOLKSWAGEN	**11,363**	**9,739**	**103,062**	**109,580**
Cabriolet	562	687	6,438	8,638
Corrado	519	410	4,268	510
Jetta	5,450	3,972	48,205	42,213
Golf/GTI	1,904	1,511	13,674	17,962
Passat	1,360	0	11,544	0
Quantum	2	26	30	908
Scirocco	0	9	12	854
Fox	1,566	3,124	18,891	29,495
VOLVO	**8,119**	**8,038**	**73,606**	**80,807**
240 series	2,896	3,057	26,542	33,022
740 series	3,853	3,809	37,629	36,300
760 series	1,210	915	7,816	9,378
780	112	245	730	1,601
Tourist	48	12	889	506
YUGO	**366**	**977**	**5,102**	**8,325**
IMPORT TOTAL	**189,518**	**223,003**	**1,894,937**	**2,151,521**

*Estimate

Compiled by Karen Dettkowski

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AUCTIONS

FROM PAGE 1

More dealers attend

The lion's share are so-called "program" or buyback cars. Ford and GM sell those vehicles to daily rental companies, then repurchase them a few months later and sell them to franchised dealers through the auction network.

Unlike Ford and GM, Chrysler doesn't repurchase the vehicles outright. The daily rental companies sell them to Chrysler dealers at auctions, and if they fail to sell for a predetermined depreciated price, Chrysler pays the difference to the rental companies.

Foreign automakers such as Toyota and Volkswagen are raising their stakes in the program-car market, too.

The nearly new cars attract new-car dealers, who are attending auto auctions in record numbers. For example, GM reports that 76 percent of its dealers now attend auctions regularly.

For auctions, the number of program cars remarketed by manufacturers has been a boon.

Estimates of total auction vehicle sales in 1989 range from 5.25 million on registrations of 8.25 million to 6.6 million on registrations of 10 million. Registrations are the number of vehicles consigned for sale.

In 1988, industry officials estimated that 3.6 million vehicles were sold on registrations of about six million.

A record 1989

The National Auto Auction Association includes 215 auto auctions. The industry does not compile sales statistics.

All told, 1989 was a record year for auto auctions, with the three largest chains selling an estimated 3.3 million vehicles:

- Manheim Auctions, based in Atlanta, sold about 1.3 million vehicles, according to industry sources.
- GE Capital Auto Auctions, based in Barrington, Ill., sold about one million.
- Anglo American Auto Auctions sold about one million.

Stephen A. McNeely, president of GE Capital Auto Auctions, said the average selling price of a program vehicle has risen to $10,500.

Auction officials say daily rental firms will continue to turn over their fleets quickly. In addition, GM and Ford have offered to repurchase all their program cars in the 1991 model year, up from about 75 percent last year. The result will be even more program cars at the auctions.

Program cars do pose one problem for auctions and manufacturers because daily rentals are seasonal. Fleet sizes rise and ebb on vacation cycles. Most of the program cars come from Florida and California — hot vacation spots.

The rental companies have huge numbers of vehicles to dispose of early and late in the year.

Says Richardson: "Something should be done to smooth out incidents of disposal. Rental companies dispose of vehicles when they want to. And that is not always in the best interests of the manufacturer."

Availability grows

Although program cars are driving the industry's growth, they are only one segment of it. Others include repossessions from financial institutions, off-lease vehicles, salvage vehicles and dealer consignment vehicles. Fleet vehicles are those purchased by corporations, rental firms and others.

McNeely projects that the auction industry will grow 6 percent in annual unit sales through 1993. Part of that will come from the manufacturers and financial institutions.

He says the number of vehicles available to auctions is growing another 3 percent.

"The number of vehicles with the potential of crossing the market is growing," he says. "Auctions are gaining ground in the number of cars available from the entire wholesale market."

Franchised dealers sold an estimated 14.7 million used vehicles in 1989, about the same number as the new vehicles they sold, according to the National Automobile Dealers Association. About 72 percent came from trade-ins and 20 percent from auto auctions.

Both McNeely and Richardson expect dealer consignments at their auctions to grow 10 percent or more this year. Vehicles consigned by dealers are trades or those that have stayed on a dealer's lot for a long time.

Fleet and lease sales appear to be the only flat segment of the industry because companies are moving toward paying for more employee-owned vehicles.

Independents' choices

Larry Tribble, owner of Southern Auto Auction in East Windsor, Conn., says he is experiencing a shortage of used cars because new-car sales are down and dealers are bringing fewer trade-ins to the auctions.

Tribble is president of ServNet, an advertising and marketing consortium of independent auctions that was formed to compete more effectively with the chains.

As an independent, Tribble and others like him face several challenges, including whether to go after the factory business or stick with dealer consignment and fleet and lease vehicles. The chains sell most of the program vehicles, although some larger independent auctions also hold factory sales.

"With lower-than-average new-car sales, the number of trade-ins is reduced and it is hard to maintain growth," Tribble says. "If the independents are not into factory sales, should they make the investment needed to get into it?"

For an independent, that could be costly. Unlike dealer consignment vehicles, factory vehicles aren't always delivered. They are marshaled at locations around the country by the manufacturers for disposition.

Moreover, auctions that conduct factory sales need huge amounts of land for storage plus reconditioning facilities and computers.

Tribble also says independents who have been selling cars for the daily rental-car companies will lose that business. Until this model year, manufacturer buyback programs with the daily rental companies included a certain number, typically 25 percent, of "at risk" vehicles, which the rental companies had to dispose of themselves.

Now that GM and Ford are offering to repurchase 100 percent of the vehicles they sell to the daily rental companies, independent auction owners will lose that business unless they get in on the manufacturer programs.

Tribble contends that lower new-car sales will prevent 1990 from being a record year, as 1989 was.

TOP 10 AUTO AUCTIONS

1988 Rank	1989 Rank	Auction	Company	Units sold	Volume (millions)	Average price
1	1	Florida Auto Auction of Orlando	Manheim	94,000	810	8,617
2	2	Southern California Auto Auction	GE	95,676	718	7,504
5	3	Manheim Auto Auction	Manheim	65,700	540	8,307
3	4	Nashville Auto Auction	Anglo	67,452	509	7,549
4	5	Aptco Auto Auction	Anglo	66,350	503	7,590
—	6	Clanton's Auto Auction	GE	63,241	480	7,590
—	7	Atlanta Auto Auction	Manheim	60,000	475	7,916
10	8	Greater Chicago Auto Auction	GE	70,632	452	6,399
6	9	Metro Auto Auction of Kansas City	Anglo	57,116	445	7,803
9	10	Bay Cities Auto Auction	GE	71,472	443	6,198

NOTE: Figures were provided to Automotive News by companies. In some cases, figures are rounded or approximated.

Rental cars raise sales for Top 10 auctions

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

The nation's Top 10 auto auctions sold 711,000 vehicles worth $5.3 billion in 1989, up from 706,000 units valued at $4.7 billion a year earlier.

The value of the vehicles has risen because auctions are getting more low-mileage, daily-rental vehicles from the manufacturers.

The growth of the biggest auctions is illustrated by the fact that two auctions selling more than 80,000 vehicles each made last year's *Automotive News* Top 10 list, but failed to make it this year even though they sold more vehicles in 1989 than 1988. *Automotive News* ranks auctions by the value of vehicles sold, not units. All told, 1989 was a record year for auto auctions.

Automotive News began surveying auto auctions in 1987.

During 1986, the nation's Top 10 auctions sold 545,000 vehicles valued at $3.4 billion. The totals have risen every year since.

Two major categories of auction cars — daily rental or "program cars" and dealer consignment vehicles — increased strongly in 1989, industry officials say. Fleet and lease vehicles were flat. Driven by the growing number of program vehicles, the average vehicle selling price at the top 10 auctions in 1989 rose to $7,547, compared with $6,828 in 1988.

Florida Auto Auction of Orlando, owned by Manheim, was the nation's top seller in value of vehicles sold last year. In just a single day in July, the gargantuan auction registered 9,583 vehicles and sold 6,821 — 71 percent. Gross sales that day were $69 million, for an average price per vehicle of $10,130. Florida Auto Auction operates 15 selling lanes on 140 acres.

In 1989 Florida Auto Auction had revenues of about $810 million on sales of 94,000 vehicles, compared with $741.6 million on sales of 84,968 units in 1988.

The second largest-volume auto auction in 1989 was Southern California Auto Auction, in Fontana, Calif. Owned by GE Capital Auto Auctions, it had sales of $718 million on 95,676 units, a big jump from $519 million and 89,547 units in 1988.

Major independents

Although independent auctions failed to make the Top 10 best-seller list, many had big sales in 1989:

- **Southern Auto Auction,** East Windsor, Conn., $420 million, 71,000 units
- **Auto Dealers Exchange,** Indianapolis, $417 million, 68,400 vehicles
- **Indianapolis Auto Auction,** Indianapolis, $388 million, 74,000 vehicles.

INSTANT INFO

Computers report vehicle prices, volume at several major chains

The number and prices of vehicles going through auctions will be tracked for the first time by computer under an agreement between the National Automobile Dealers Association and the National Auto Auction Association.

Phase One of DataNet, an electronic sales reporting network for wholesale car and truck auctions, went on line in September. It enables the *NADA Official Used Car Guide* to publish more current used-car prices.

"DataNet will provide the industry with a more thorough and accurate understanding of the used-car market," said Bob Brest of the NADA Guide Book committee.

Wholesale auto auctions are an important source for appraising used vehicles.

The system eventually will include day-of-sale results for about 200 auctions nationwide, covering several million transactions annually.

NADA is now collecting data from the three largest auction chains — GE Capital Auto Auctions, Anglo American Auto Auctions and Manheim Auctions — and several major independent auctions.

Sales reports also are beginning to come on line from other auctions.

Once it is fully operational, DataNet will be able to provide various segments of the industry with customized reports about the used-car market.

— **Charles M. Thomas**

CHRYSLER

FROM PAGE 2

fully accounted — lose money on small and midsize cars," the study concluded.

Coping with the pension enhancements might be particularly difficult for Chrysler, Glantz said. "It's a call on resources that Chrysler can ill afford."

Chrysler's annual report said that all of its pension plans had $5.1 billion in assets on Dec. 31, 1989, and $7.8 billion in accumulated benefits, leaving the pension plans underfunded by a total of $2.7 billion.

Chrysler also has an older work force than Ford or GM, and a higher ratio of retired to active workers. In 1989, Chrysler had a total of 88,542 active employees and 87,635 retirees.

The transplants, which are relatively new operations with young workers, have virtually no retirees and limited pension funding needs.

Iacocca talked with reporters after meeting with the union.

"I gave them the state of the union, the state of the company message," Iacocca said. "I didn't plead poverty, and I didn't bargain. That's not my role."

Iacocca did not identify the areas under discussion, but Chrysler officials have proposed that traditional health care plans be eliminated and replaced with managed health care plans such as health maintenance organizations.

Chrysler also proposed giving workers ownership in the company and compensating workers for improvements at individual plants, proposals shunned by the union.

For the six months ended June 30, Chrysler's earnings were $251 million, down from $692 million a year ago. Chrysler is expected to lose as much as $280 million in this year's third quarter.

Stan Marshall, UAW vice president and head of the union's Chrysler department, said the union probably would set a strike deadline with Chrysler after the Ford agreement is ratified. The union has $750 million in its strike fund reserves.

Automotive News Staff Reporter Mary Connelly contributed to this report.

JEEP CJ

FROM PAGE 2

Exchange Commission, Chrysler estimated that pending CJ lawsuits seek $213 million in compensation and $295 million in punitive damages.

The Institute for Injury Reduction, Public Citizen and the Center for Auto Safety had sought the CJ probe and recall, citing an alleged rollover tendency, a defective shackle pin in the suspension that could increase the likelihood of a rollover, and lack of occupant protection including an adequate roll bar. The groups also claimed AMC covered up knowledge of a defect.

NHTSA said analysis indicated that "while the predicted rollover propensity of the CJ is slightly higher than the average for all utility vehicles, the CJ does not stand out from its peers to an extent that warrants further investigation."

NHTSA cautioned that its decision did not mean that the agency had determined that the CJ is "safe" or that drivers should not worry about rollover.

"All light utility vehicles are much more likely to roll over than passenger cars," the agency said.

NHTSA also said that no evidence indicates the vehicle's shackle pin and rollbar are defective.

UCK WAR

FROM PAGE 3

olet, 202,216 switched from olet to other manufacturers et loss of 6,781 owners. Rob- id the claim that more truck

zee: over ads

owners switched to Chevrolet is "true."

● More people are winning with Chevrolet trucks. "We haven't found out what they're winning. They have no basis for the claim," said Vanderzee.

bins said the line is part of rall theme that is used with olet cars and trucks to com- nt the "Heartbeat of Amer- gline.

derzee said the claims are ding because Ford is soundly g Chevrolet in truck sales. sold 1,383,168 light trucks red to Chevrolet's 1,257,139 1990 model year.

vision spots for Ford's full- pickup claim that Ford "puts in the red and you in the " because Ford trucks are economical to own and oper- an comparable Chevrolet s. The ads also say Ford have a higher resale value Chevrolet trucks five years urchase.

derzee said Ford's claims are based on an independent study by IntelliChoice, a San Jose, Calif., research firm that produces annual car and truck cost guides.

Vanderzee said the comparisons in Ford's ads are to "provide relevant facts."

The Ford-Chevrolet advertising "truck war" has been raging since 1987. Last year, Ford said Chevrolet misrepresented Ford trucks by alleging in an ad that Ranger owners must "back up 10 feet" to shift out of 4wd, something Chevrolet said was not necessary in its S10.

In another ad earlier this year, Chevrolet boasted that it was the sales leader in rural Ford County, Ill. In both instances, Ford claimed the facts were distorted.

A few months ago, Ford said it would stop naming competitors in its truck ads. But its dealers, stinging from comparisons in Chevrolet's truck ads, encouraged Ford to jump back into the fray.

Vanderzee said Ford has not decided how it will handle the most recent Chevrolet claims if Chevrolet refuses to drop them. He said Ford might ask the Better Business Bureau and/or the television networks to review the ads for accuracy. He said Ford is "not considering a lawsuit."

Ford also said it will keep its "Have you driven a Ford lately" themeline for its 1991 divisional car advertising.

SUZUKI

FROM PAGE 52

4wd capabilities.

The embattled Samurai will get just the opposite treatment. Two 2wd versions were introduced for 1991, and only one 4wd version remains. The price of the base model was slashed $2,000, to $5,999.

With the addition of the four-door Sidekick, Suzuki's three-product line adds another branch. There are three versions of the Swift, two hatchbacks and one sedan; rwd and 4wd Samurais; and two body styles for the Sidekick.

Gary Anderson, national marketing director, says expansion of the product line is important, especially to dealers. "We're going to see a new group of buyers walking into Suzuki dealerships," Anderson predicts.

In advertising and dealer literature for the four-door Sidekick, Suzuki will emphasize standard equipment, especially on the entry-level model.

The sport-utility will be offered in JX and JLX trim. Both carry the same 1.6-liter engine that powers the two-door.

Standard on the base model are AM/FM/stereo with cassette player, power steering, power mirrors, dual outside mirrors and rear window defogger. The JLX has all that plus power windows, power door locks and remote fuel-filler opener. Both models have manual locking hubs; automatic locking hubs are an option.

Wheelbase of the four-door Sidekick is 97.6 inches, 11 inches longer than the two-door. Overall length is 158.7 inches, compared to 142.5 inches for the two-door.

VOLVO

FROM PAGE 52

gine as the 940-SE. The Turbo price is $29,295. The 940-GLE at$27,885 is powered by a 16-valve, naturally aspirated engine. All 940 sedans have three-point seat belts and rear headrests. The 940 wagons have only a lap belt for the middle passenger in the rear seat.

All 940 sedans and wagons are equipped with an automatic locking differential, which shifts power to the wheel with traction if one of the rear wheels begins to slip. The differential operates only at speeds below 25 mph. All 940s also have ABS, automatic transmission, air conditioning and sunroof.

240 series: ABS is available as a $995 option on the 240 sedan and 240 wagon. The air conditioner has greater cooling capacity than in 1990.

Volvo has dropped the DL designation for 1991 and has upgraded the base 240 to that level. The 240 sedan is $19,300 with manual transmission, up 2.6 percent over last year's 240-DL. The manual-equipped 240 wagon is $19,795, up 2.5 percent. A sunroof is optional on the sedan, but not available on the wagon.

The plain-vanilla 240 was introduced last year, with sunroof, air conditioning and AM/FM/stereo/cassette player available only as options and no ABS.

740 series: The 740 series has a revised instrument panel, similar to the new 940. The stereo system has six speakers instead of four, and there are new air conditioner controls.

The manual-transmission 740 sedan has a sticker of $22,755, up 7.9 percent from its final 1990 price; the 740 wagon is $23,435, up 7.6 percent.

The manual-equipped 740 Turbo sedan is $24,810, down 5.6 percent from last year's model; the 740 Turbo wagon is $25,490, down 5.5 percent.

The 740-GL and 740-GLE sedans and wagons have been dropped, along with the 760-GLE V-6 sedan and the 760-GLE Turbo sedan and wagon.

The automatic locking differential is standard on the 740 Turbo, all 940 models and the coupe. It is a $385 option on the base 740 sedan and wagon.

940 series: Prices of the 940 station wagons are: GLE, $28,565; Turbo, $29,975; SE, $33,630.

Coupe: The coupe will be discontinued after 1991. It was formerly badged the 780 Turbo or the 780 coupe, which was a V-6. Fewer than 400 will be imported; all will have the 188-hp turbocharged four-cylinder engine. The price is $41,945, up 5.0 percent.

YOTA ADS

FROM PAGE 3

er Previa minivan expertly d debris on a rain-soaked hanks to Previa's all-wheel- and anti-lock brakes.

iccioni said Toyota has set a f building the first passenger hat meets the more rigorous l safety standards for pas- cars. He declined to give a ble.

ota ads also note findings of nt J.D. Power and Associates -quality survey, which ranks la and Camry as the most e-free cars in their class and da as the most trouble-free America.

iccioni said Toyota kept the line "I love what you do for me" because independent research indicates that consumers believe it. He said Toyota retained its trademark "jump" because it is recognizable and because it continues to work within the original framework of a previous ad theme, "Oh, what a feeling."

Toyota broke its ads the first of this month and will continue with a media schedule that includes the three main television networks and Fox Broadcasting. Its print ads are appearing in a variety of publications, including *Rolling Stone, Self, GQ, Sports Illustrated* and *People*. The media split is 75 percent television, 20 percent print and 5 percent other direct efforts. The media split for Tercel is 85 percent television and 15 percent print.

EAKER

FROM PAGE 3

from New York University law degree from Harvard School, joined GM in 1973 as torney on the legal staff in New York, but most of his fast-track career has been in International Operations.

He moved into International Operations in 1976 as manager of sales development work with the Soviet Union, based in London. In 1979, he became a special assistant to the managing director of General Motors Espana S.A., where he helped establish that company.

Herman was named managing director of General Motors Chile S.A. in 1982, managing director of GM operations in Colombia in 1984 and managing director of General Motors Continental in Belgium in 1986. In 1988, he was named GM Europe's executive director for European parts and accessories.

Herman is one of more than 30 faculty members of the 15th convocation of the Automotive News World Congress, which is co-sponsored by the University of Michigan Transportation Research Institute.

The congress will be held in conjunction with the North American International Auto Show which, for the first time, will offer automotive suppliers from around the world the opportunity to see the show before the public opening during Industry Trade Days.

For further World Congress information, write Wendy Barhydt, Automotive News World Congress, UMTRI/OSAT, 2901 Baxter Road, Ann Arbor, Mich. 48108-2150, or telephone 313-936-1049.

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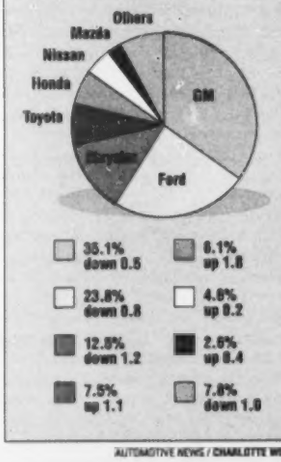
Attn: Wendy Barhydt, Conference Manager

Corrected tables

Several numbers were incorrectly calculated on last week's charts showing 1990 model year sales. The most significant error attributed too many car sales to Toyota Motor Sales U.S.A. Inc. (See story on Page 1.) These charts contain the correct numbers.

1990 model year

Chart shows share of U.S. car and light-truck market, and change in percentage points, from MY 1989.



AUTOMOTIVE NEWS / CHARLOTTE WINTER

LIGHT-TRUCK SALES MODEL YEAR 1990

	1990	1989
Ford	1,383,168	1,433,840
Chevrolet	1,257,139	1,370,557
Pontiac	27,187	0
Oldsmobile	21,909	0
Chrysler	677,061	732,391
GMC	327,440	363,348
Jeep	206,970	262,434
Daihatsu	3,862	0
Isuzu	127,655	98,154
Mazda	127,450	81,047
Mitsubishi	47,529	40,028
Nissan	164,687	157,347
Range Rover	4,614	4,462
Suzuki	15,671	26,334
Toyota	277,174	264,325
Volkswagen	6,515	5,147
Imports	**775,157**	**676,844**
Industry Total	**4,676,031**	**4,839,414**

MARKETING UNITS MODEL YEAR 1990

	1990	1989
Alfa Romeo	3,036	3,306
Aston Martin*	60	60
Am. Honda	849,549	794,450
BMW	61,578	69,960
Buick	518,275	573,280
Cadillac	256,763	275,600
Chevrolet	1,351,711	1,399,354
Chrysler	186,000	214,720
Daihatsu	12,970	13,763
Dodge	355,383	474,989
Eagle	60,470	75,214
Ferrari*	960	960
Ford	1,331,026	1,571,168
Hyundai	140,945	201,358
Isuzu	5,019	19,223
Jaguar	19,176	19,696
Lamborghini*	156	156
Lincoln	223,596	203,890
Lotus*	324	324
Maserati	240	240
Mazda	232,952	262,343
Mercedes	75,112	76,152
Mercury	390,619	540,372
Mitsubishi	164,267	98,742
Nissan Motor	476,063	509,162
Oldsmobile	502,989	653,127
Peugeot	4,631	6,372
Plymouth	253,695	313,097
Pontiac	633,803	734,658
Porsche	9,244	10,609
Rolls/Bentley*	1,200	1,200
Saab	25,974	34,901
Sterling	4,501	5,951
Subaru	107,525	150,701
Suzuki	6,584	5,352
Toyota Motor	765,241	696,891
Volvo	95,419	102,625
VWoA	154,932	156,996
Yugo	7,353	13,864
TOTAL	**9,289,341**	**10,284,826**
GM	**3,263,541**	**3,636,019**
Ford	**1,945,241**	**2,315,430**
Chrysler	**855,548**	**1,078,020**
Japanese	**2,620,170**	**2,550,627**
European	**483,896**	**503,372**
Korean	**140,945**	**201,358**

*Estimate

GERMANY

FROM PAGE 1

Industry insiders note that Japan's strategy in open markets has been to push market share up to a pain threshold that invites local reaction, then hold gains for a period of years before mounting another assault. The last upward thrust of the Japanese in Germany occurred from 1982 through 1986, when they increased penetration from 9.8 percent to 15 percent.

Since then, Japan's share has been remarkably steady. But in July, Japanese imports captured 16.9 percent, then spurted to 20.1 percent in August before falling back to 17.1 percent in September, according to unofficial estimates compiled by *Automotive News*.

For the first eight months of 1990, the Japanese share in Germany rose to 15.8 percent — about 326,000 cars — from 14.6 percent through the same period last year, or about 285,000 cars. For all of 1989, the Japanese claimed 14.9 percent on sales of 422,000 cars.

Although analysts agreed that the August surge could have been the result of special factors, such as lack of capacity among German carmakers, most noted that it was dangerous for the Japanese to appear to be spearing one of their staunchest allies.

In contrast to other major EC members, Germany imposes no quota on Japanese imports. France limits the Japanese to 3 percent of the market; Spain, to 1.2 percent; and Italy, 1.5 percent. A gentlemen's agreement caps the Japanese at an 11 percent share of the British market.

"It's a little peculiar," said Steven Reitman, who follows the European industry for UBS Phillips & Drew in London. "The timing is awful. I would be surprised if they are doing something like this, because the Germans are the most free-trade-oriented of any of Europe's manufacturers."

According to Reitman, the specter of a 5-point jump in market share has set off "alarm bells" among protectionists, bells that are clearly audible to the Germans.

"If the Japanese decide to turn up the heat, the Germans might be driven closer to the Calvet position," he said.

Edmund Chew of DRI Europe in

AUTOMOTIVE NEWS / D. L. BURHANS

Frankfurt agreed. "The Japanese ought to be concerned about German reaction," he warned.

Although Germany has no official limitations on Japanese imports, many industry executives speak privately of an unwritten accord reached between the two countries in the mid-1980s, limiting the Japanese to about 15 percent.

The rumored understanding is consistently denied, but it has attained the stature of an article of faith in Germany. Many executives relate tales of mysteriously delayed year-end shipments and supplies of popular models that suddenly dry up, thereby helping to maintain the Japanese share at about 15 percent.

"I strongly believe there is a limit," said Schmidt at Automotive Industry Data. "Moreover, the Japanese have an incredible knack for pulling back just at the right moment. They are just trying it on in Germany. They want to see what the Germans will do about it. Let's see what happens in October, November and December."

Even an executive at a Japanese import company speculates that Tokyo is testing the unacknowledged restriction.

"I see a trend in the direction of 20 percent," said an executive at Mazda Motors (Germany). "It will be possible in Germany because the German manufacturers export many cars" to Japan.

Germany is the only country in the world that runs an automotive trade surplus with the Japanese, as measured by value.

But Moriharu Shizume, general director of the Paris office of the Japan Automobile Manufacturers Association, denied that the Japanese are mounting a drive on Germany. The increases "are not very much, actually," he said.

Similarly, Kimio Kurasawa, deputy general manager of Mazda Motors' European office in Brussels, Belgium, said Japanese carmakers are not pushing to increase market share in Germany. He said the limited number of units available for all of Europe must be spread evenly.

Many analysts scoff at such explanations.

With all other major European markets declining, analysts argue, Japanese makers could easily shift volume into Germany to maintain overall sales.

"Germany is a bit of a swing factor," said John Lawson of Nomura Research Institute in London. "With EC volume down, Germany happens to be a good place to sell cars."

So far, Germany's major domestic producers have expressed no official concern.

A spokesman for Volkswagen AG, Germany's market leader, attributed the increase to a combination of German factory downtime during the August vacation period and capacity constraints for German makers.

VW has long waiting lists for its Passat and Golf models, he said.

"It's nothing unusual, and I think you'll see Japanese market share come down," he said.

Similarly, a spokesman for General Motors' Adam Opel AG, the No. 2 seller in Germany, added: "Opel is not nervous."

GM Europe President Robert Eaton was cautious about offering explanations for the surge. But he also ventured that Japanese importers may simply have had the capacity to meet demand at a time when others were constrained.

European sales dip staggers profits

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT — The marked slowdown in European car sales began showing up on the industry's bottom line this month, with several major producers reporting first-half earnings declines from a year earlier. Analysts foresee even weaker earnings ahead as carmakers turn to discounting to hang on to market share.

"Next year is going to be a tough year for everyone," said Steven Reitman, auto industry specialist at UBS Phillips & Drew in London. Reitman, who foresees European sales falling 4 percent to 12.4 million units next year, predicts that manufacturers will have to cut margins further to maintain share in a weak market.

Volkswagen AG, Europe's sales leader, recently reported a 16.5 percent decline in operating profit, to 1.16 billion marks ($758 million), for the first half of 1990. VW cited tougher competition at home and problems at its Autolatina unit in South America.

Reitman last week cut his earnings estimate for VW, predicting a 20 percent decline at the operating level for the full year. VW's reported operating profit last year of 2.99 billion marks ($1.95 billion).

"There is a very substantial squeeze going on" at VW, said Reitman. He cited extra labor costs as VW produces at capacity; the impact of a price-oriented marketing campaign in Germany, lower domestic sales and the situation in South America.

Fiat SpA, Europe's second biggest carmaker after VW, said its pre-tax profit fell 12.6 percent from a strong year-earlier period, to 2.45 trillion lira ($2.14 billion). Fiat pinned much of the blame on tougher competition, especially in its home market.

Fiat's Italian market share slipped to 54.3 percent in the first half from 58 percent a year ago.

Renault SA, which has yet to report for the half, foresees net income falling at least 8 percent for the year. That would follow net income of 8.7 billion francs ($1.70 billion) last year.

But John Lawson, of Nomura Research Institute in London, said he expects Renault to slide 41 percent, to about 5.1 billion francs ($998 million), because of a higher tax rate.

"If it's off only 8 percent, I'll eat my hat," he said.

Lawson likewise anticipates lower profits for the European units of both General Motors and Ford. He suggested that GM Europe will be down about 20 percent from 1989's $1.83 billion because of a higher tax charge.

He said Ford of Europe's 1989 earnings of $1.29 billion would be "virtually halved" because of downturns in such key markets as Britain, where Ford is market leader, and the costs of new product introductions.

Incentives

No changes were reported last week in buyer or dealer rebates. Readers are advised to check the Incentive Watch tables in the Oct. 8 issue of *Automotive News* for current programs.

Makers pare stockpiles to 58-day supply

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Despite a sluggish sales month in September, combined domestic and import new-car inventories declined to a 58-day supply Oct. 1, as Big 3 automakers thinned stocks.

There were a total of 1,844,028 unsold domestic and imported cars on hand Oct. 1, compared to 1,874,130 on Sept. 1 when the day's supply was 65.

The seven-year average combined domestic and import new-car inventory level on Oct. 1 is a 55-day supply.

Domestic new-car inventories stood at 1,340,098 units on Oct. 1, for a 56-day supply. A year earlier, domestic new-car inventories stood at a 64-day supply.

The imports had a 64-day supply Oct. 1, compared to a 66-day supply Sept. 1. The imports had 503,930 unsold cars on hand Oct. 1, vs. 537,233 on Sept. 1.

Inventories of the Big 3 automakers all decliined in September. GM's stocks dropped from a 74-day supply on Sept. 1 to a 58-day supply on Oct. 1. During the same period, Ford's inventory of unsold cars decreased to a 57-day supply from a 68-day supply, and Chrysler's slid to 69 days from 79 days.

Among the major importers, Honda, Toyota and Mazda inventories all were up; stocks of unsold Nissan and Mitsubishi cars were down.

IMPORTED VEHICLES, DAYS' SUPPLIES

	Oct. 1, 1990	Sept. 1, 1990	Oct. 1, 1989
Car			
Chevrolet	107	127	65
Chrysler Motors	83	106	73
Acura	45	47	39
Daihatsu	71	75	67
Honda	41	24	31
Infiniti	39	43	—
Isuzu	367	564	95
Lexus	15	16	16
Mazda	47	39	46
Mitsubishi	16	101	99
Nissan	69	84	77
Subaru	55	72	71
Suzuki	72	123	203
Toyota	64	44	37
JAPAN	**60**	**60**	**55**
Audi	84	141	70
BMW	71	70	80
Mercedes-Benz	37	41	37
Mercury	60	62	104
Porsche	65	67	91
Volkswagen†	123	135	127
GERMANY	**81**	**91**	**83**
Alfa Romeo	114	122	140
Ford	74	84	84
Hyundai	62	41	49
Jaguar	33	49	35
Peugeot	86	79	90
Pontiac	37	51	43
Eagle/Chrysler	232	185	217
Saab	55	47	69
Sterling	57	55	70
Volvo	66	77	50
Yugo	85	87	108
Other Countries	**62**	**60**	**60**
Total Import Cars	**64**	**65**	**59**
Truck			
Daihatsu	48	52	—
Geo Tracker*	74	83	148
Isuzu*	114	143	95
Mazda*	60	45	48
Mitsubishi	99	52	82
Nissan*	36	49	65
Range Rover	63	72	34
Suzuki*	134	116	105
Toyota	19	13	48
Dodge	110	145	50
Total Imp. Trucks	**51**	**46**	**66**
Total Imp. Vehicles	**61**	**60**	**60**

†Includes cars built in Brazil and Mexico
*Includes domestic vehicles

DOMESTIC CARS, DAYS' SUPPLIES

	Oct. 1, 1990	Sept. 1, 1990	Oct. 1, 1989
Talon	83	104	89
Premier	28	33	75
Total Eagle	**58**	**60**	**79**
Horizon	39	76	22
Laser	100	119	92
Sundance	89	70	38
Reliant	—	—	58
Acclaim	62	67	77
Total Plymouth	**76**	**77**	**52**
LeBaron A	100	66	—
LeBaron J	67	94	102
LeBaron GTS	—	—	139
Fifth Avenue (rwd)	—	—	77
Fifth Avenue (fwd)	87	128	138
Imperial	106	148	—
New Yorker C	57	99	73
Total Chrysler	**77**	**97**	**100**
Omni	45	82	25
Shadow	81	64	37
Monaco	15	28	—
Daytona	96	126	102
Aries	—	—	54
Lancer	—	—	146
Spirit	65	78	93
Dynasty	43	61	59
Total Dodge	**59**	**70**	**63**
CHRYSLER MOTORS	**67**	**77**	**67**
Escort	58	68	61
Mustang	84	63	75
Tempo	39	64	82
Taurus	63	66	45
Thunderbird	88	112	76
Probe	86	63	100
Crown Victoria	42	69	52
Total Ford Div.	**60**	**69**	**66**
Topaz	44	62	69
Sable	64	74	59
Cougar	55	83	60
Grand Marquis	66	63	38
Total Mercury	**49**	**70**	**57**
Continental	44	52	62
Town Car	50	54	49
Mark VII	45	62	57
Total Lincoln	**48**	**54**	**53**
Total L-M Div.	**49**	**64**	**56**
FORD MOTOR CO.	**56**	**67**	**63**
Skyhawk	—	—	37
Somerset/Skylark	48	58	65
Century	60	88	50
Regal	66	91	71
LeSabre	55	71	39
Reatta	110	146	81
Electra/Park Ave.	70	87	56
Riviera	81	72	45
Total Buick	**60**	**79**	**52**
Allante	186	118	75
Seville	72	94	66
DeVille	46	68	46
Brougham	118	128	55
Eldorado	65	77	49
Total Cadillac	**57**	**77**	**48**
Geo Prizm/Nova	69	48	125
Cavalier	41	68	51
Camaro	54	55	76
Celebrity	37	27	34
Corsica/Beretta	45	72	79
Lumina/Monte Carlo	60	62	81
Caprice	119	96	44
Corvette	126	61	46
Total Chevrolet	**54**	**63**	**67**
Calais	62	91	60
Cutlass Ciera	37	75	19
Cutlass Supreme	59	115	84
88	67	77	44
98	79	96	55
Toronado	68	94	63
Total Oldsmobile	**56**	**89**	**44**
Sunbird	66	61	58
Firebird	90	84	78
Grand Am	50	54	62
Pontiac 6000	44	85	67
Grand Prix	62	75	92
Bonneville H	76	111	58
Safari/Parisienne	—	—	27
Total Pontiac	**61**	**71**	**68**
GENERAL MOTORS	**57**	**72**	**58**
HONDA	**24**	**22**	**32**
MAZDA	**61**	**39**	**63**
MITSUBISHI	**77**	**72**	**42**
NISSAN	**34**	**56**	**108**
TOYOTA*	**48**	**34**	**34**
SUBARU	**164**	**115**	**—**
DOMESTIC TOTAL	**56**	**64**	**59**
Subcompact	**42**	**48**	**54**
Compact	**56**	**65**	**57**
Intermediate	**57**	**74**	**64**
Standard	**66**	**78**	**49**
Specialty	**128**	**88**	**54**

*Estimate

CLEAN AIR

FROM PAGE 2

nferees had been instructed to
ish by yesterday — could go to
e floors of both the House and
e Senate for a vote this week.
Key provisions include:
Increases in tailpipe controls
uld be phased in between the
94 and 1996 model years, setting
vels of 0.25 grams per mile of hy-
ocarbon emissions; 3.4 gpm car-
n monoxide; and 0.4 gpm oxides
nitrogen. Current levels are 0.41
, 3.4 CO and 1.0 NOx. Califor-
a will require similar emissions
vels beginning with the 1993
odel year.
A second round of tailpipe stan-
rds beginning with cars made
ter Jan. 1, 2003, would be trig-
red only if six cities still fail to
tain pollution standards.
The 0.125 HC, 1.7 CO and 0.20
Ox requirements would be
ased in only if EPA determines
at the cost nationwide would still
pply significant benefits to the
orst-polluted areas.
The agreement would require
issions equipment to be certified
pable of meeting standards for
r 10 years or 100,000 miles, in-
ead of the current five years or
,000 miles; but the vehicles could
tested and recalled by EPA only
o seven years and 70,000 miles.
Onboard vapor recovery canis-
rs would be required only after a
int one-year study by the De-
artment of Transportation and
PA. If the National Highway
affic Safety Administration de-
rmines there are no safety prob-
ms, the systems would be phased
over four model years.
An alternative fuels pilot pro-
am with a sales mandate would
phased in using a transitional
w-emissions vehicle. Makers
uld have to sell a total of 150,-
0 alternative fuel cars each year
ginning in 1996 and 300,000 be-
nning in 1999. Those cars could
n on non-methane organic gaso-
e that would produce emissions
vels of 0.25 HC, 3.4 CO and 0.4
Ox. An ultra-clean-running low
issions vehicle would have to be
ld beginning in 2001, requiring
075 HC, 3.4 CO and 0.2 NOx.
The alternative fuels fleet pro-
am would begin in 1998 and im-
diately require the cleaner low
issions vehicle. Centrally fueled
ts in the 31 most polluted cities
uld be affected, but vehicles
t are taken home in the eve-
g would be exempt.
Beginning in 1992, gasoline con-
ining 2.7 percent oxygenates
uld have to be sold in cities that
ve a smog problem and that fail
meet carbon monoxide pollution
andards. The requirement could
delayed as long as two years if
e EPA administrator determines
at supply and distribution capac-
y are not available. Only cleaner
formulated gasoline would be
ld in the nine most polluted cities
ginning in 1995. The gas would
ve to reduce volatile organic
mpounds and toxic emissions by
percent. In 2000, the toxics in
asoline would have to be reduced
least 20 percent more. Reformu-
ted gas would also have to con-
n 2 percent oxygenates.

PRODUCTION

U.S. CAR

	Week Ended Oct. 13, 1990	Week Ended Oct. 6, 1990	Oct to Date	Jan. 1 to Oct. 13, 1990	Jan. 1 to Oct. 14, 1989
Horizon	0	0	0	4,327	24,997
Sundance	2,400	2,429	4,829	69,416	82,044
Acclaim	3,100	3,193	6,293	89,618	99,844
Total Plymouth	**5,500**	**5,622**	**11,122**	**163,361**	**206,885**
LeBaron A	0	0	0	8,071	0
LeBaron J	1,400	1,329	2,729	42,284	82,993
LeBaron GTS	0	0	0	0	2,946
N. Yorker C-Class	600	636	1,236	31,136	65,998
Fifth Avenue	900	1,099	1,999	27,559	18,483
Imperial	400	467	867	15,175	664
Total Chrysler	**3,300**	**3,531**	**6,831**	**124,225**	**171,084**
Omni	0	0	0	4,078	26,545
Daytona	900	900	1,800	28,172	65,029
Shadow	2,300	2,367	4,667	77,328	79,643
Dynasty	2,700	2,667	5,367	93,608	103,901
Lancer	0	0	0	0	1,528
Spirit	2,500	2,812	5,312	80,856	87,280
Total Dodge	**8,400**	**8,746**	**17,146**	**284,042**	**363,926**
CHRYSLER MOTORS	**17,200**	**17,899**	**35,099**	**571,628**	**741,895**
Escort	8,121	8,184	16,305	192,710	271,996
Mustang	3,659	3,553	7,212	106,195	160,793
Tempo	3,010	2,928	5,938	104,999	118,422
Taurus	7,865	7,948	15,813	276,066	284,766
Thunderbird	3,365	2,918	6,283	94,156	115,889
Total Ford Div.	**26,020**	**25,531**	**51,551**	**774,126**	**951,866**
Topaz	1,402	1,487	2,889	40,069	55,266
Cougar	2,260	2,707	4,967	63,348	98,569
Sable	2,484	2,532	5,016	84,874	94,187
Total Mercury	**6,146**	**6,726**	**12,872**	**188,291**	**248,022**
Continental	1,187	1,205	2,392	47,553	50,761
Mark VII	216	217	433	16,103	16,410
Town Car	2,799	2,843	5,642	119,764	96,609
Total Lincoln	**4,202**	**4,265**	**8,467**	**183,420**	**163,780**
Total L-M Div.	**10,348**	**10,991**	**21,339**	**371,711**	**411,802**
FORD MOTOR CO.	**36,368**	**36,522**	**72,890**	**1,145,837**	**1,363,668**
Skyhawk	0	0	0	0	6,913
Skylark/Somerset	2,644	1,997	4,641	73,250	49,801
Century	0	2,347	2,347	53,328	104,548
Riviera	606	534	1,140	17,784	15,426
Electra/Park Ave.	2,610	3,034	5,644	45,574	63,333
LeSabre (fwd)	3,760	3,495	7,255	128,579	121,345
LeSabre (rwd)	0	0	0	4,022	5,843
Reatta	0	0	0	5,277	4,803
Total Buick	**9,620**	**11,407**	**21,027**	**327,814**	**372,012**
Eldorado	631	575	1,206	17,091	23,384
Seville	627	558	1,185	27,649	17,145
Brougham (rwd)	1,100	1,115	2,215	25,628	43,908
DeVille (fwd)	3,640	4,421	8,061	129,088	145,792
Allante	89	89	178	3,025	2,467
Total Cadillac	**6,087**	**6,758**	**12,845**	**202,481**	**232,696**
Cavalier	9,572	8,742	18,314	271,690	286,588
Camaro	2,050	2,068	4,118	60,492	81,471
Celebrity	0	0	0	0	70,720
Corsica/Beretta	6,160	6,174	12,334	228,002	298,206
Caprice	0	0	0	181,868	138,451
Corvette	560	616	1,176	18,878	19,896
Total Chevrolet	**18,342**	**17,600**	**35,942**	**760,930**	**895,332**
Calais	2,762	2,515	5,277	82,589	71,794
Cutlass Ciera	0	1,346	1,346	56,875	69,691
Cutlass Supreme	2,158	2,161	4,319	75,307	87,531
Toronado	364	321	705	12,426	7,391
88 (fwd)	2,672	2,273	4,945	83,038	111,557
88 (rwd)	0	0	0	1,223	6,210
98	1,560	448	2,008	36,692	57,083
Total Oldsmobile	**9,536**	**9,064**	**18,600**	**348,150**	**411,257**
Sunbird	4,000	3,770	7,770	129,117	115,871
Grand Am	6,360	5,223	11,583	171,707	190,329
Firebird	1,200	1,132	2,332	35,652	45,643
Grand Prix	3,238	3,170	6,408	97,204	103,365
Pontiac 6000	0	1,361	1,361	44,461	65,530
Bonneville	1,683	1,533	3,216	63,163	75,312
Safari/Parisienne	0	0	0	0	2,691
Total Pontiac	**16,481**	**16,189**	**32,670**	**541,304**	**598,741**
Total Saturn*	**150**	**150**	**300**	**1,875**	**0**
GENERAL MOTORS	**60,216**	**61,168**	**121,384**	**2,182,554**	**2,510,038**
DIAMOND-STAR	**3,530**	**3,884**	**7,414**	**118,452**	**61,871**
HONDA	**9,180**	**8,913**	**18,093**	**345,580**	**291,946**
Civic	1,500	1,407	2,907	85,865	107,079
Accord	7,680	7,506	15,186	259,715	184,867
MAZDA†	**3,784**	**3,887**	**7,671**	**140,410**	**162,065**
NISSAN	**2,528**	**2,412**	**4,940**	**69,425**	**93,923**
NUMMI	**4,200**	**4,195**	**8,395**	**159,220**	**158,485**
Corolla	2,100	2,101	4,201	80,171	64,060
Geo Prizm/Nova	2,100	2,094	4,194	79,049	94,345
SUBARU-ISUZU	**1,000**	**795**	**1,795**	**23,425**	**0**
TOYOTA	**4,452**	**4,335**	**8,787**	**173,740**	**111,493**
TOTAL CARS, U.S.	**142,458**	**144,010**	**286,468**	**4,930,271**	**5,495,304**
TOTAL CARS, CANADA	**21,741**	**25,965**	**47,706**	**821,512**	**758,830**
U.S., CANADA CARS	**164,199**	**169,975**	**334,174**	**5,751,783**	**6,254,134**
U.S., CANADA CARS AND TRUCKS	**263,107**	**265,274**	**528,381**	**9,571,738**	**10,315,003**

Monthly estimates may contain error of one or two units due to rounding.
†Total includes MX-6, 626, and Ford Probe. *Estimated

CANADIAN CAR

	Week Ended Oct. 13, 1990	Week Ended Oct. 6, 1990	Oct to Date	Jan. 1 to Oct. 13, 1990	Jan. 1 to Oct. 14, 1989
Monaco	670	707	1,377	8,603	0
Premier	290	287	577	9,986	28,282
CHRYSLER MOTORS	**960**	**994**	**1,954**	**18,589**	**28,282**
Tempo	2,998	3,190	6,188	91,937	102,772
Topaz	791	1,353	2,144	34,503	43,694
Crown Victoria	2,091	2,718	4,809	94,789	93,386
Grand Marquis	2,453	3,030	5,483	87,806	100,731
FORD MOTOR CO.	**8,333**	**10,291**	**18,624**	**309,035**	**340,583**
Celebrity	0	0	0	20,319	17,631
Cutlass Ciera	1,424	1,827	3,251	61,254	99,163
Lumina	4,400	5,180	9,580	172,608	126,643
Regal	2,000	2,542	4,542	77,613	61,913
GENERAL MOTORS	**7,824**	**9,549**	**17,373**	**331,794**	**305,350**
CAMI*	**850**	**850**	**1,700**	**8,500**	**0**
HONDA	**1,720**	**2,084**	**3,804**	**81,702**	**65,758**
HYUNDAI	**660**	**743**	**1,403**	**18,223**	**0**
TOYOTA	**1,250**	**1,298**	**2,548**	**47,416**	**12,523**
VOLVO	**144**	**156**	**300**	**6,253**	**6,334**
TOTAL CARS, CANADA	**21,741**	**25,965**	**47,706**	**821,512**	**758,830**

U.S. TRUCK

Caravan	1,200	1,301	2,501	72,472	84,078
Dakota	1,700	1,857	3,557	57,660	74,226
Caravan C/V	0	0	0	4,171	5,407
Ram pickups	2,100	2,215	4,315	84,525	41,290
Total Dodge	**5,000**	**5,373**	**10,373**	**218,828**	**238,001**
Cherokee	3,900	3,920	7,820	125,487	174,648
Comanche	300	347	647	7,194	22,685
Grand Wagoneer	0	335	335	5,594	8,217
Wagoneer	100	113	213	3,158	6,449
Total Jeep	**4,300**	**4,715**	**9,015**	**141,433**	**211,909**
Voyager	1,100	1,108	2,208	67,292	78,565
Town & Country	0	0	0	2,078	2,949
Total C-P Div.	**1,100**	**1,108**	**2,208**	**69,370**	**81,514**
CHRYSLER MOTORS	**10,400**	**11,196**	**21,596**	**429,631**	**531,424**
Aerostar	4,959	5,035	9,994	169,532	178,168
Bronco	968	986	1,954	40,939	58,389
Bronco II/Explorer	5,841	6,425	12,266	155,651	93,421
Navajo	308	384	692	5,192	0
Econoline	4,208	3,488	7,696	149,577	177,732
Mediums/Heavies	1,148	1,158	2,306	41,238	47,331
Light trucks	10,436	9,841	20,277	368,170	416,295
Ranger	6,649	5,603	12,252	225,004	249,206
Total Ford Div.	**34,517**	**32,920**	**67,437**	**1,155,303**	**1,218,542**
FORD MOTOR CO.	**34,517**	**32,920**	**67,437**	**1,155,303**	**1,218,542**
Astro	3,025	3,231	6,256	103,939	130,046
Blazer	0	0	0	13,603	22,108
Lumina APV	2,017	1,893	3,910	69,357	0
Mediums/Heavies	488	434	922	6,818	5,433
P-Model	0	0	0	17,306	24,445
Pickups	7,580	7,996	15,576	340,030	320,820
S-10	4,693	4,147	8,840	190,046	196,422
S-10 Blazer	3,740	1,403	5,143	62,358	142,853
Sportsvan/Van	1,230	1,348	2,578	48,626	77,133
Suburban	0	0	0	54,523	61,178
Total Chevrolet	**22,773**	**20,452**	**43,225**	**906,606**	**980,436**
Jimmy	0	0	0	4,137	6,721
Mediums/Heavies	538	602	1,140	6,608	9,603
P-Model	0	0	0	2,305	3,294
Pickups	2,035	1,594	3,629	120,287	98,173
S-15/Sonoma	1,115	657	1,772	42,043	48,568
S-15 Jimmy	1,122	472	1,594	20,759	40,937
Safari	1,004	849	1,853	36,325	34,938
Suburban	0	0	0	26,614	25,246
Vandura/Rally Vans	690	572	1,262	18,479	23,309
Total GMC	**6,504**	**4,746**	**11,250**	**277,557**	**290,789**
Olds Silhouette	507	633	1,140	25,773	0
Pontiac Trans Sport	986	1,028	2,014	37,625	0
GENERAL MOTORS	**30,770**	**26,859**	**57,629**	**1,247,561**	**1,271,227**
NAVISTAR	**1,580**	**1,603**	**3,183**	**58,340**	**64,167**
NISSAN	**2,450**	**2,489**	**4,939**	**111,835**	**95,548**
SUBARU-ISUZU	**1,180**	**894**	**2,074**	**26,125**	**0**
AM GENERAL	**450**	**450**	**900**	**17,640**	**18,090**
MISCELLANEOUS	**3,000**	**3,000**	**6,000**	**117,600**	**114,600**
TOTAL TRUCKS, U.S.	**84,347**	**79,411**	**163,758**	**3,164,035**	**3,313,598**

CANADIAN TRUCK

Caravan	1,746	2,256	4,002	97,717	114,693
Caravan C/V	75	3	78	5,688	8,551
Ram Wagon	256	287	543	17,259	20,760
Ram Van	1,240	1,641	2,881	48,410	57,176
Total Dodge	**3,317**	**4,187**	**7,504**	**169,074**	**201,180**
Voyager	1,396	1,761	3,157	78,754	99,115
Total Plymouth	**1,396**	**1,761**	**3,157**	**78,754**	**99,115**
Wrangler	1,200	1,557	2,757	46,092	62,273
Total Jeep	**1,200**	**1,557**	**2,757**	**46,092**	**62,273**
CHRYSLER MOTORS	**5,913**	**7,505**	**13,418**	**293,920**	**362,568**
FORD MTR. (lt. trks.)	**2,415**	**2,911**	**5,326**	**108,609**	**123,655**
Light trucks	2,755	3,110	5,865	134,061	127,006
Vans	1,160	0	1,160	39,900	46,704
Total Chevrolet	**3,915**	**3,110**	**7,025**	**173,961**	**173,710**
Light trucks	1,149	1,563	2,712	49,785	56,640
Vans	400	0	400	16,018	21,701
Total GMC	**1,549**	**1,563**	**3,112**	**65,803**	**78,341**
GENERAL MOTORS	**5,464**	**4,673**	**10,137**	**239,764**	**252,051**
CAMI*	**650**	**650**	**1,300**	**6,500**	**0**
NAVISTAR	**119**	**149**	**268**	**7,127**	**8,997**
TOTAL TRKS., CANADA	**14,561**	**15,888**	**30,449**	**655,920**	**747,271**
U.S., CANADA TRKS.	**98,908**	**95,299**	**194,207**	**3,819,955**	**4,060,869**

Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz. *Estimated

8-millionth is 3 weeks behind 1989

By Anne E. Wright
AUTOMOTIVE NEWS CHIEF STATISTICIAN

U.S. automakers produced their 8-millionth vehicle last Wednesday. Last year, the 8-millionth vehicle was produced three weeks earlier — on Sept. 19.

Year-to-date, U.S. car and truck production is 8,094,306 units, down 8.11 percent from the year-ago total of 8,808,902.

Last week, 142,458 autos were assembled, 1.08 percent below the previous week and 0.24 percent above the year-ago week.

U.S. truck producers were scheduled to build 84,347 units last week, up 6.22 percent over the prior week and 32.05 percent above the same week in 1989.

Ford Motor Co. scheduled Saturday overtime at two plants — the Wayne, Mich., car plant and the Kansas City, Mo., truck plant.

This week, the company plans to idle four plants — Kansas City, Mo.; Atlanta; and Lorain, Ohio, car and truck due to inventory adjustment. Production is scheduled to resume Oct. 22.

General Motors scheduled overtime last week at Janesville, Wis., and Lansing, Mich. (plants A and B).

The plants produce Chevrolet Cavalier, Oldsmobile Cutlass Calais, Buick Skylark and Pontiac Grand Am.

GM's Arlington, Texas, plant is scheduled to close today for two weeks due to slow sales. The plant produces the Cadillac Brougham and the Chevrolet Caprice. Production is slated to resume Oct. 29.

Chrysler is scheduled to halt production at the Toledo, Ohio, plant today for inventory adjustment. The plant produces Jeep Cherokee, Comanche, Wagoneer and Grand Wagoneer. Production is scheduled to resume the week of Oct. 22.

A down week for Canadians

Canadian auto producers were scheduled to assemble 21,741 cars last week, 16.27 percent below the prior week but 24.80 percent above the year-ago week.

Year-to-date, 821,512 cars have been produced, leading last year's output at this time by 8.26 percent.

Truckmakers assembled 14,561 units last week, falling 8.35 percent below the prior week and 7.63 percent below the year-ago week.

So far this year, 655,920 trucks have been produced, 12.22 percent behind the year-ago total.

Ford launches Cargo output at Louisville

By Joseph Bohn
TRUCK EDITOR

Ford Motor Co. began producing its medium-duty Cargo truck line at its Kentucky Truck plant in Louisville last week.

The Cargo models formerly were imported from Brazil.

The company plans to produce about 3,000 annually at Louisville but has scheduled only 250 units for October-December.

Initially, Ford will produce only the heavier CF-8000 series, which has gross vehicle weight ratings of 33,000 to 36,000 pounds. A special CFT tandem-axle model has 44,000 to 51,000 gvw ratings.

Ford will add the CF-7000 series to Louisville production in March, according to Jeff Kahn, customer interface manager, Ford Truck Operations. The CF-7000 has a 29,500-pound gvw rating.

Ford will drop the CF-6000 and add a lighter 26,500-pound gvw model in the CF-7000 series.

Ford now uses North American-sourced components in Cargo production.

The change provides a greater commonality of parts among Cargo and Ford's F-series and L-series trucks.

Ford spent $6 million to convert its plant to Cargo production.